



CTBID Board Project

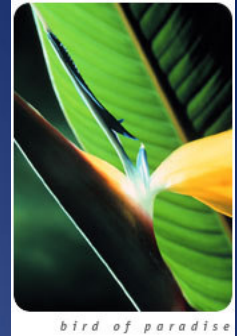
Carlsbad Tourism Marketing Going Forward

Reint Reinders & Associates

August 26, 2008



Executive summary

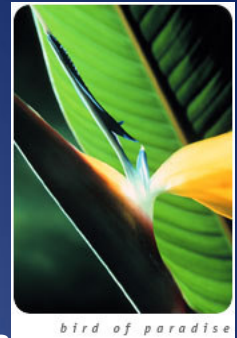


- ☐ ***After four (4) months - - April 1 through July 31, 2008***
- ☐ ***116 confidential interviews/meetings with Carlsbad tourism stakeholders***
 - ☐ ***Hotels , resorts & inns***
 - ☐ ***Attractions***
 - ☐ ***Retail***
 - ☐ ***Dining***
 - ☐ ***Government***
 - ☐ ***Entertainment, arts & culture***
 - ☐ ***Authors of previous consulting projects***
 - ☐ ***Selected state and regional tourism & destination marketing officials***
- ☐ ***Attendance at six (6) Carlsbad community public meetings & events***
- ☐ ***Careful review of BID-related documents, all relevant reports & surveys***
- ☐ ***Analysis, further research; development of opinions & recommendations***



Executive summary

Conclusions



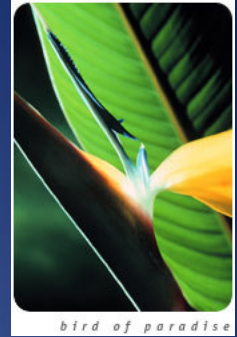
- ❑ *Tourism has become more and more vital to the Carlsbad economy and to the way of life for all its citizens - - residential and commercial*
- ❑ *The \$14 million - - and growing - - annual TOT contribution to the City's general fund is a most welcome offset for plummeting home values and other City budget shortfalls*
- ❑ *By maintaining the current status quo, Carlsbad risks losing greater market share to less attractive , less deserving So. CA destinations*
- ❑ *In order to protect and grow its share of the highly coveted tourism pie, the CTBID Board can no longer delay making critical decisions*
- ❑ *The CTBID Board needs to take swift and strong action*
 - ❑ *Becoming a legitimate player in the highly competitive tourism marketing game*
 - ❑ *Transitioning the current Carlsbad CVB (CCVB) into a new reconstituted destination marketing organization (DMO), a 21st Century sales & marketing organization properly funded and managed*

Making the case for tourism in Carlsbad

- ❑ *Carlsbad became a tourism destination officially the day that Legoland opened its doors in 1999 - - now attracting 1.6 million visitors a year*
- ❑ *Carlsbad: home to 42 hotels & nearly 4,000 hotel/vacation rental rooms*
- ❑ *Carlsbad lodging's bed tax produces \$14 million a year for the City*
- ❑ *Carlsbad offers a wide range and assortment of attractions for every age, gender, pocketbook, ethnicity and nationality that include some very unique local attractions besides the more obvious beaches & weather*
- ❑ *And during current economic times, where expensive, long-distance leisure trips are being cancelled, it's important to keep in mind that 85 percent of all California tourists are "Californians"*
- ❑ *Most compelling reason perhaps, might be the access Carlsbad has to a market very close to home: the 21 million So. CA residents - - many of whom are opting instead for "staycations" and/or "daycations"*



Reasons why Carlsbad is not capturing greater market share



- ☐ ***CTBID Board's reluctance to make critical, timely decisions and take decisive action***
- ☐ ***Absence of clear direction (to tourism promotion contractors)***
- ☐ ***Accountability (CTBID Board & tourism promotion contractors)***
- ☐ ***Insufficient funding***
- ☐ ***Incomplete deployment of BID funds***
- ☐ ***Fractured Carlsbad tourism community***
- ☐ ***Lack of stakeholders commitment to the Carlsbad brand***
- ☐ ***Lack of commitment and real support by/from the City***



Recommendations

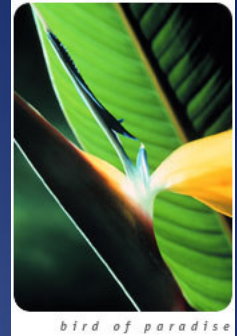


- ✓ ***#1 – Change the current 1989 BID Law thus enabling a tourism BID under the 1994 PBID law (five year commitment) as a business model starting 7/1/09***
 - a. ***Recommending a new funding model to consist of 2% of hotel room revenues***
 - b. ***Recommending a vote by all Carlsbad hotel stakeholders***
- ✓ ***#2 - New, reconstituted DMO (destination marketing organization) to replace the current CCVB***



Recommendations

continued . . . #2

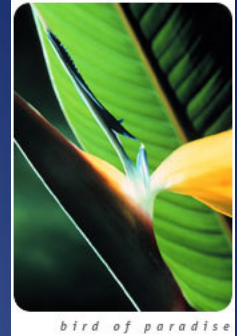


- a) New, strong sales & marketing leadership***
- b) New powerful, interactional website featuring strong SEO, content and linkages***
- c) New sales associate to focus on B-to-B (business-to-business) as opposed to the more standard B-to-C (business-to-consumer)***
- d) A new advisory board - - representative of the top sales and marketing minds among Carlsbad's tourism stakeholders; provides advice, counsel, resources and potential joint marketing and partnering opportunities for the new DMO***
- e) New powerful alliances and partnering with #1, San Diego ConVis & #2 San Diego No. CVB (SDNCVB)***



Recommendations

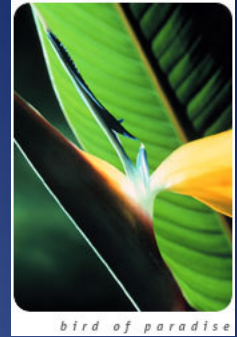
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- ✓ ***#3 - Develop an RFP and solicit representative consulting firms to conduct a comprehensive Carlsbad Tourism Economic Impact study in order to produce a 2008 baseline; importance for all Carlsbad tourism stakeholders, in particular the City government, to “know the dollars” (generated from tourism locally)***
- ✓ ***#4 - A DMO, new Advisory Board, CTBID Board and City government adopted and supported campaign to unite all of Carlsbad’s tourism stakeholders in support of a powerful, new Carlsbad tourism brand (through new communication, stakeholder meetings, “town hall” gatherings)***

Recommendations

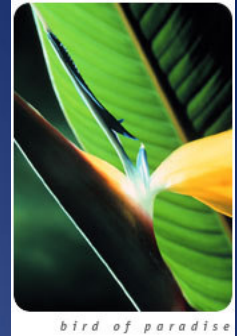
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- ✓ ***#5 - A new DMO/CTBID Board sponsored training program for all Carlsbad hotels designed to help hotel stakeholders capture more room nights and revenue and drive occupancy back up to annual 70 percent plus standards***
- ✓ ***#6 - A new tourism initiative as part of the City of Carlsbad's Master Plan review in 2009***
- ✓ ***#7 - For the purposes of continuity and accountability, retaining RR&A for a Phase II engagement to manage, facilitate and implement a successful transition from the current CCVB to the new reconstituted DMO - - includes the recruitment of a new DMO executive director and the establishment of new metrics***



RR&A's Charge



- ☐ ***Assessment of the CTBID initiative results to date***
 - ☐ ***Review of the CTBID Board's responsibilities, decisions, performance to date***
 - ☐ ***Review of CCVB's charge, funding, activities, overall performance to date***
 - ☐ ***Review of SDNCVB's charge, funding, activities, overall performance***
- ☐ ***Deliver actionable recommendations on how tourism sales & marketing and visitor services should be conducted - - what will it look like - - going forward***
 - ☐ ***Recommendations that will help "guide" the CTBID Board with sound visitor destination marketing initiatives***
 - ☐ ***Key deliverable: provide opinion and recommendation on how best to drive visitor demand so as to increase travel and occupancies (stabilized 70%+)***
- ☐ ***Manage a "phase II" project to oversee, direct and supervise full implementation on all recommendations and initiatives approved and adopted by the CTBID Board (and the City of Carlsbad)***



16 Carlsbad tourism stakeholders confidential interviews - - and here's what they told us loud and clear



Be honest . .

**. . give
direction**

**. . and follow
up!**



**We've had all
the studies .
..**

**... and the
discussions**

**It's time for the
train to leave
the station!**





Fix it! . . .

**Get the
funding right .
..**

**Spend the
dollars!**



We can no longer . . .

look to the past
.. we must now
...

look to the future



**Carlsbad
tourism needs
a new
governing
body**

... to guide it . .

**a larger, broader
based
organization**







We need buy
in by all
Carlsbad
stakeholders.

... for all sales
and marketing
activities ...

... with all
stakeholders
participating

All Carlsbad
stakeholders .
..

... have
something in
common ...

... we are
Carlsbad!





And here's what Carlsbad City government had to say . . .





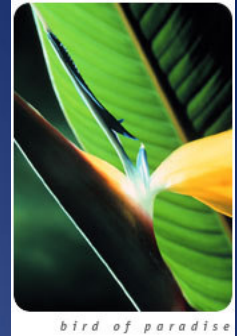
Carlsbad City government feedback



- ☐ ***“We’re big supporters of tourism & visitor experience ”***
- ☐ ***“No on increase of the current TOT”***
- ☐ ***“Industry has not produced one ‘voice’ for what needs done”***
- ☐ ***“We don’t need more funding to promote Carlsbad. La Costa, Four Seasons and Grand Pacific are spending millions of dollars - - they do more than anything (a local CVB does)”***
- ☐ ***“Matching dollars must be a 2-way street; 3-to-1 or 2-to-1?”***
- ☐ ***“We need to regionalize (our tourism promotion effort)”***
- ☐ ***“We need Palomar to become a regional airport”***
- ☐ ***“We need to get the Village shop owners to stay open later”***
- ☐ ***“A ‘place’ ; more attractions; more shopping like The Forum”***



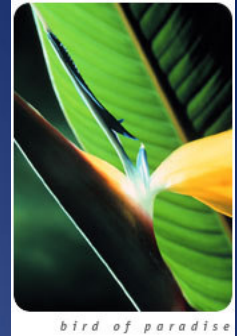
Assessment of the CTBID Board



- ❑ **Overall impact:**
 - ❑ From not spending the available funds and . . .
 - ❑ Insufficient accountability of the CTBID Board (alone) and that of the two contracted agencies
- ❑ **Recommendations on how CTBID Board should be selected**
 - ❑ 3 representatives of Group 1 *e.g., La Costa, Four Seasons, Sheraton*
 - ❑ 3 representatives of Group 2 *e.g., Hilton Garden Inn, Holiday Inn, Courtyard*
 - ❑ 3 representatives of Group 3 *e.g., West Inn, Beach Terrace, Hampton Inn*
- ❑ **The role of City government with the CTBID Board going forward**



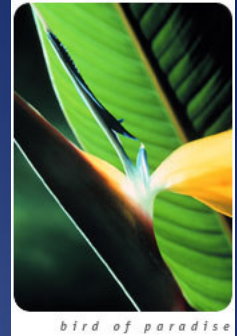
Assessment of CCVB



- ☐ ***Lots of hard effort put forth by CCVB***
- ☐ ***Strongest stakeholder support from Village & Beach***
- ☐ ***Consensus, however, of 116 stakeholder interview ratings on CCVB value/effectiveness was “2.5” (scale of “0-5”, “5” best)***
- ☐ ***Lack of support for CCVB leadership is strongest amongst largest hotel and attraction stakeholders (“1.7” & “1.6”)***
- ☐ ***Strong stakeholder support for a new start, direction and to create a 21st century sales & marketing-savvy DMO***
- ☐ ***The inability of the current CCVB leadership to bring together and align all of the Carlsbad tourism stakeholders is at the core of this assessment***



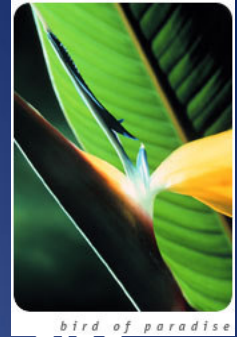
Assessment of SDNCVB



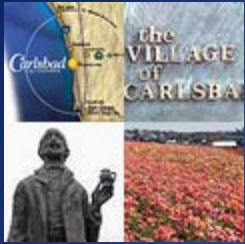
- ☐ *Lots of hard effort put forth*
- ☐ *SDNCVB efforts “limited” to direct sales activities*
- ☐ *Stakeholder expectation relatively low based on minimal \$\$\$*
- ☐ *SDNCVB’s production numbers are challenged far too often; inordinate amount of time/energy spent justifying numbers*
- ☐ *Stakeholder support mixed: value (2.3), effectiveness (2.4)*
- ☐ *SDNCVB’s new largess of funding and expanded regional marketing role now underscores the importance for collaboration and alignment with the new DMO*
- ☐ *Greatly enhances the possibility of a future role for SDNCVB (marketing, adv., P.R.)*



Assessment of previous consultant studies, reports

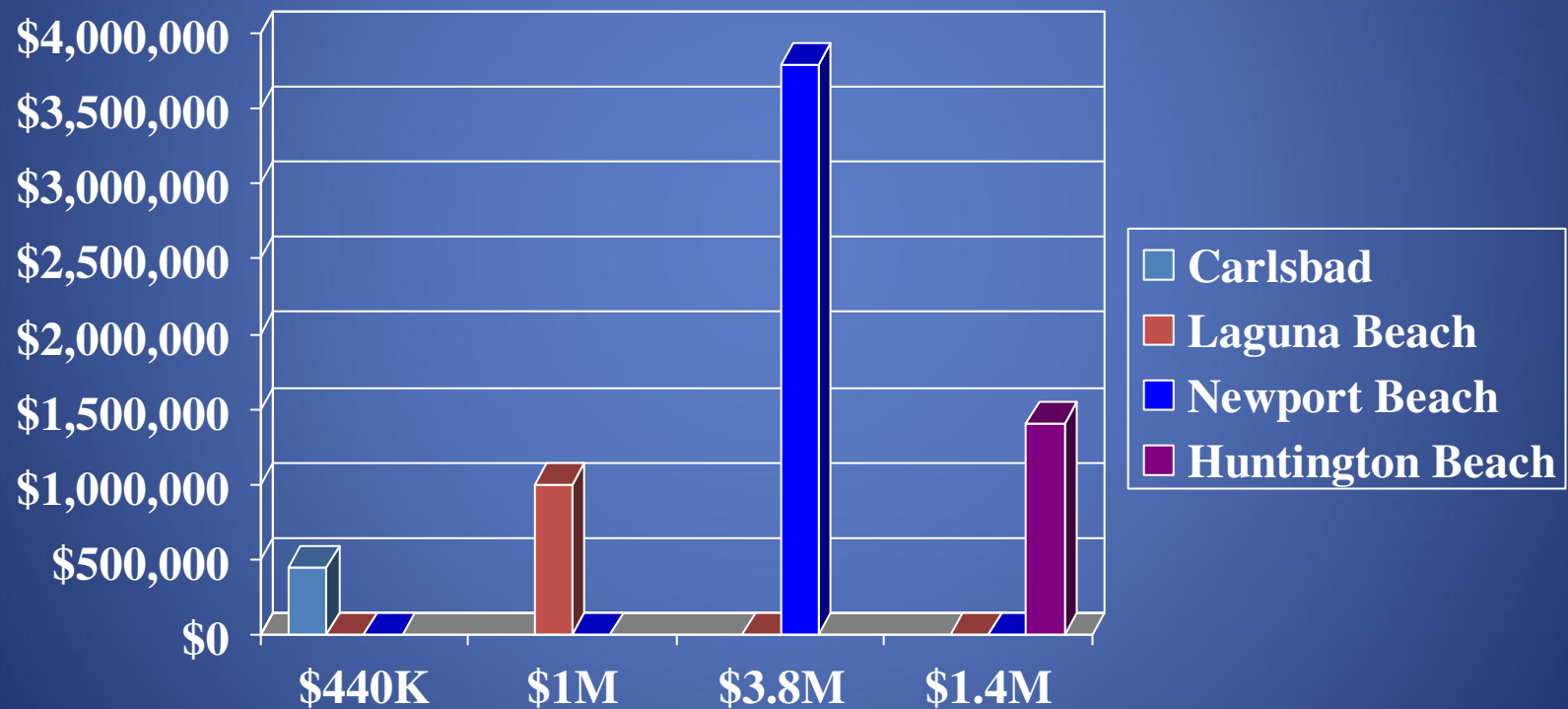
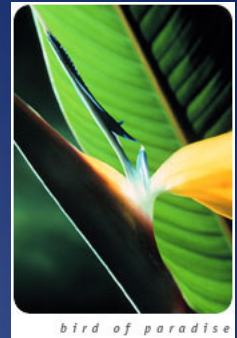


- ❑ ***RR&A reviewed all of the various consultant studies, reports - - also the CCVB marketing plan produced by SMG***
 - ❑ ***Some excellent points, recommendations made***
 - ❑ ***All documents had value at time of delivery, but . . .***
 - ❑ ***Value diminished since no action was taken by CCVB or CTBID boards***
- ❑ ***Agrees with much of the findings, opinions and action steps:***
 - ❑ ***Lack of awareness hurts Carlsbad's tourism promotion efforts***
 - ❑ ***Competition outspending Carlsbad 3 -to-1 and even 4-to-1***
 - ❑ ***Need for new attractions and events, improved signage***
 - ❑ ***Improvements in beach areas, other City-controlled environments***
 - ❑ ***Long-term tourism strategy; cooperative alignments within region***
 - ❑ ***A need for the community to "come together" in support of tourism***



Selected So. CA Coastal CVB Set

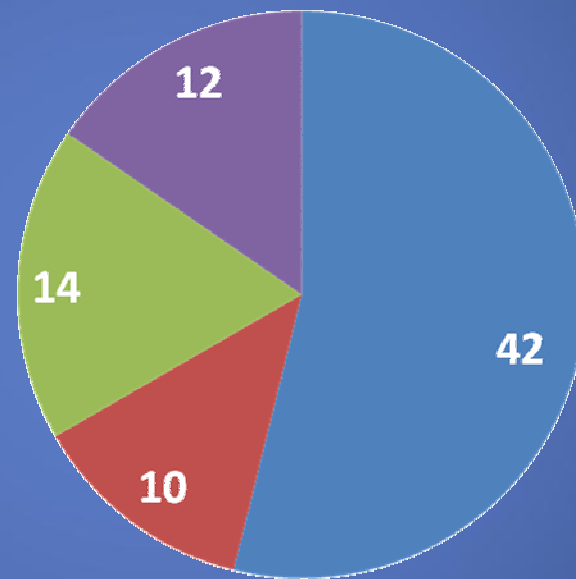
Budgets for tourism promotion



Number of Hotels within CVB city

- ❑ Carlsbad (42)
- ❑ Laguna Beach (10)
- ❑ Newport Beach (14)
- ❑ Huntington Beach (12)

Hotels



- Carlsbad
- Laguna Beach
- Newport Beach
- Hunt-Beach



Huntington Beach, CA

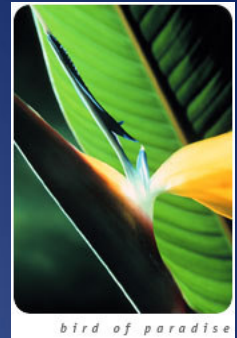
12 hotels – 1,500 rooms



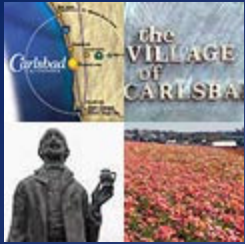


Huntington Beach, CA

A closer look . . .

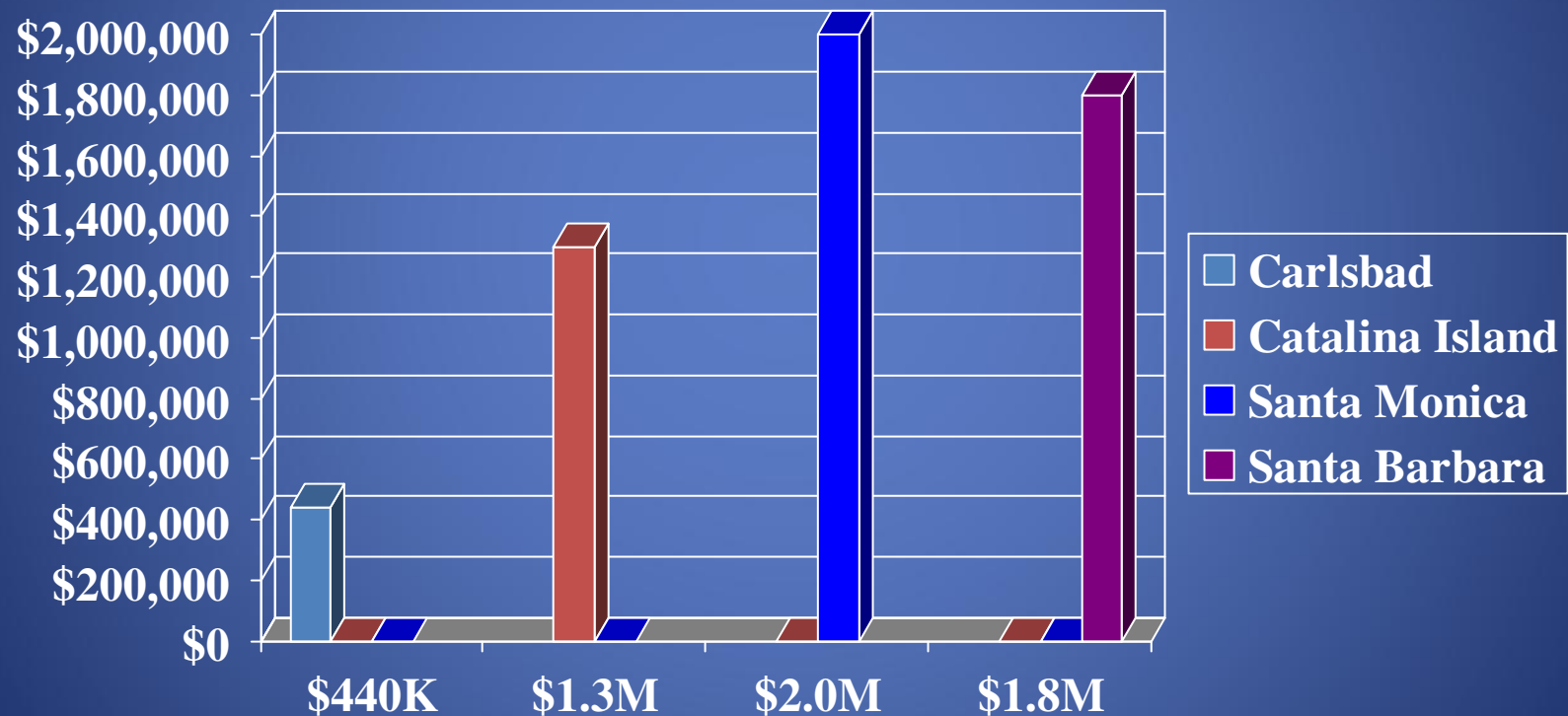
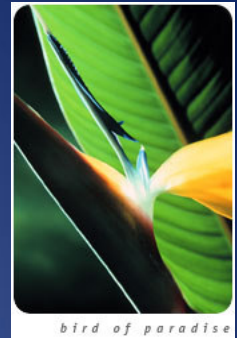


- ❑ **Huntington Beach has 12 hotels and 1,500 rooms**
- ❑ **Carlsbad has 42 hotel and nearly 4,000 rooms**
- ❑ **Huntington Beach CVB Budget: \$1.4 million**
- ❑ **Carlsbad's total tourism marketing budget: \$800,000**
- ❑ **Huntington Beach CVB commissioned study: annual visitor spending has ballooned to an estimated \$350 million, up from \$191 million 7 years ago**
- ❑ **HB Chamber: Visitor activity is a financial boon for the city . . . "the hotel bed tax alone pumping \$6.5 million each year into the local economy"**
- ❑ **The City recently approved a \$55,000 consulting contract for an event –marketing study to "enhance its current image . . . and attract quality events"**
- ❑ **"I think overwhelmingly it's (tourism for HB) a positive thing", Keith Bohr, Mayor Pro Tem, Huntington Beach**



Selected So. CA Coastal CVB Set

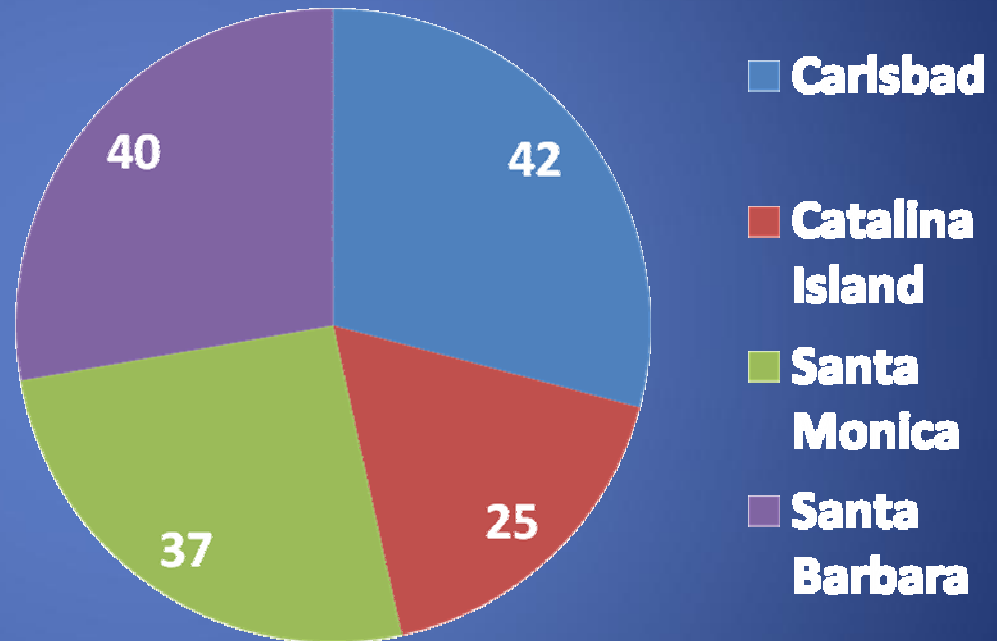
Budgets for tourism promotion



Number of Hotels within CVB City

- ❑ Carlsbad (42)
- ❑ Catalina Island (25)
- ❑ Santa Monica (37)
- ❑ Santa Barbara (40)

Hotels



Carlsbad's hotel neighbors recognizing & acting upon the need for a bigger BID for marketing . .





“Hotels support marketing push, not tax increase” ***Del Mar, CA***
8/16/08

The City Council voted Monday to place Proposition H on the November 4 ballot, asking voters to authorize the council to raise the hotel tax from 10.5 percent to 13 percent . . .

Managers of the five hotels propose keeping hotel taxes the same and charging guests a 1 percent to 2 percent fee that would go to marketing efforts for the City of Del Mar . . .

“The five hotels are getting together to merchandise Del Mar as a brand location and raise its profile” ***-***

Michael Slosser, General Manager, L’Auberge Del Mar resort



“Hotels support marketing push, not tax increase” ***Del Mar, CA***
8/16/08

“Traditionally, the hotel community is against increases in TOT (hotel taxes) that don’t identify funds for marketing”

“When you raise TOT and you don’t dedicate money to marketing , or even a portion, you can lose market share. From that standpoint, you are not as competitive.”

“More and more cities are going toward that (BID) . . . it’s the industry reinvesting back into the city. The more we grow, the more the city grows. It’s a win-win situation.” -

Namara Mercer, Ex. Dir., San Diego County Hotel-Motel Assn.

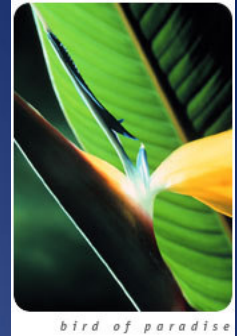
An unlikely neighbor is doing very well . .

Temecula, CA





Temecula, CA CVB

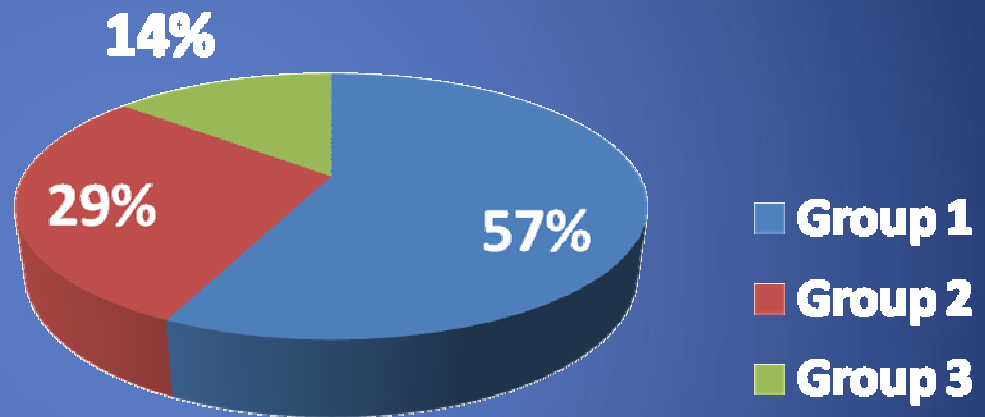


- ❑ 15 hotels – 1,700 rooms - \$1 million budget
- ❑ City Council voted 5-0 for new BID “marketing assessment” of 2% bed tax
- ❑ Temecula CVB was named to “manage” the BID marketing assessment
- ❑ \$600,000 comes from the 2% marketing assessment
- ❑ And \$300,000 comes direct from the Pechanga Casino - - Pechanga’s contribution to “growing the region & the brand” (no strings attached!)
- ❑ City uses 100% of the 8% (approx. \$3 million a year) for general fund plus redirects \$800,000 a year toward economic development
- ❑ The City underwrites the costs of local events, e.g., Intl. Film Festival . . .
 - ❑ International jazz festival - Temecula wine festival – Rock ‘n Roll Car Shows
- ❑ 30 Temecula wineries fully support the city’s CVB, Fam trips, events
- ❑ **Temecula ran an 85% occupancy in 2007 (compared to Carlsbad’s 65+%)**

Group # 1

- ☐ La Costa Resort
- ☐ Four Seasons Resort
- ☐ Sheraton Carlsbad
- ☐ Grand Pacific Palisades
- ☐ Carlsbad Inn Hotel
- ☐ G. P. Palisades HOA
- ☐ Carlsbad Inn HOA
- ☐ Four Season Club
- ☐ Carlsbad Seapointe

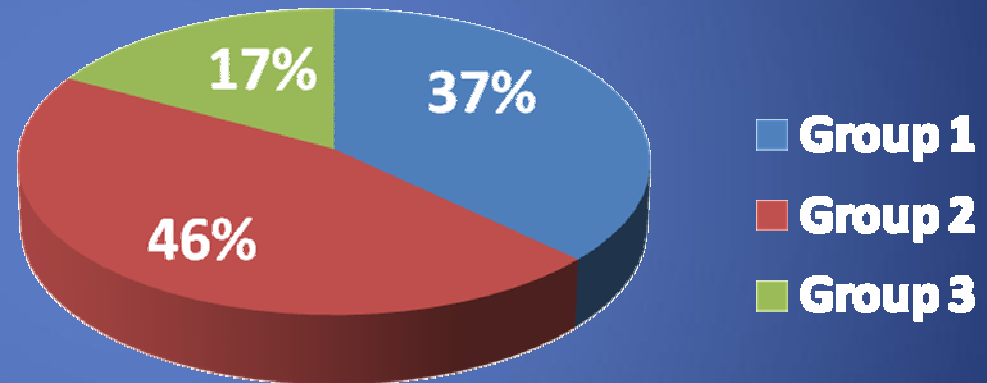
TOT Revenue % by Group 7/1/07 – 5/31/08



Group # 1

- ☐ La Costa Resort
- ☐ Four Seasons Resort
- ☐ Sheraton Carlsbad
- ☐ Grand Pacific Palisades
- ☐ Carlsbad Inn Hotel
- ☐ G. P. Palisades HOA
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- ☐ Four Season Club
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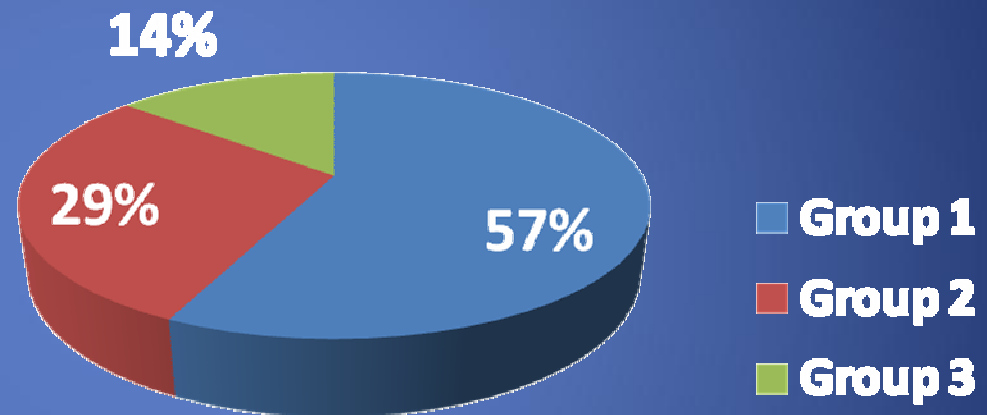
CTBID Revenue % by Group 7/1/07 – 5/31/08



Group # 2

- ☐ Hilton Garden Inn
- ☐ Motel 6 #471
- ☐ Homewood Suites
- ☐ Holiday Inn
- ☐ Courtyard by Marriott
- ☐ Inns of America/ALPS
- ☐ Ramada Inn
- ☐ Residence Inns
- ☐ La Quinta Inn
- ☐ Motel 6 #1021
- ☐ Extended Stay America

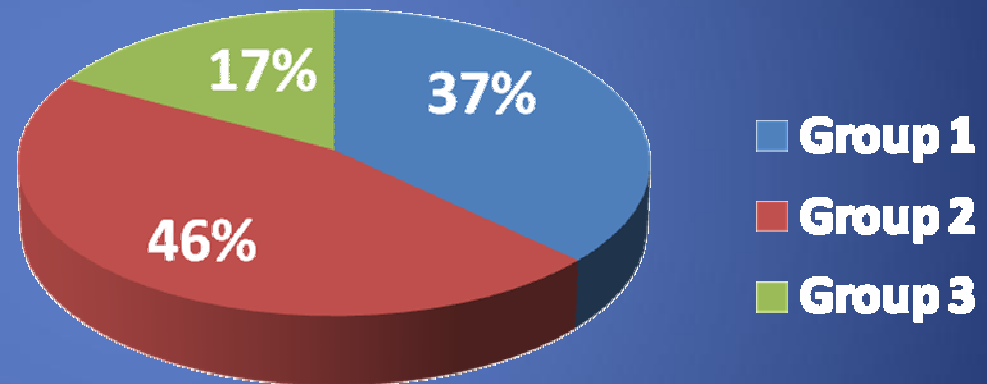
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CTBID Revenue % by Group 7/1/07 – 5/31/08

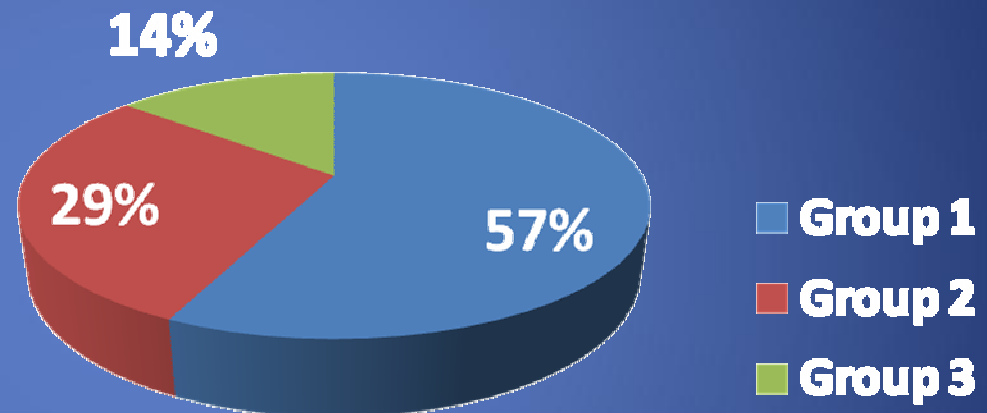


Group # 3

- ☐ Inns of America Suites
- ☐ Hampton Inn (1/08)
- ☐ West Inn
- ☐ Hyland Inn
- ☐ Ocean Palms Beach Resort
- ☐ Beach Terrace
- ☐ Comfort Inn
- ☐ Beach View
- ☐ Carlsbad Travel Inn
- ☐ Surf Motel
- ☐ Tamarack Beach Resort
- ☐ Scandia
- ☐ Seabreeze Hotel
- ☐ Seashore on the Sand
- ☐ Pelican Cove
- ☐ Six (6) other properties

8/27/2008

TOT Revenue % by Group 7/1/07 – 5/31/08



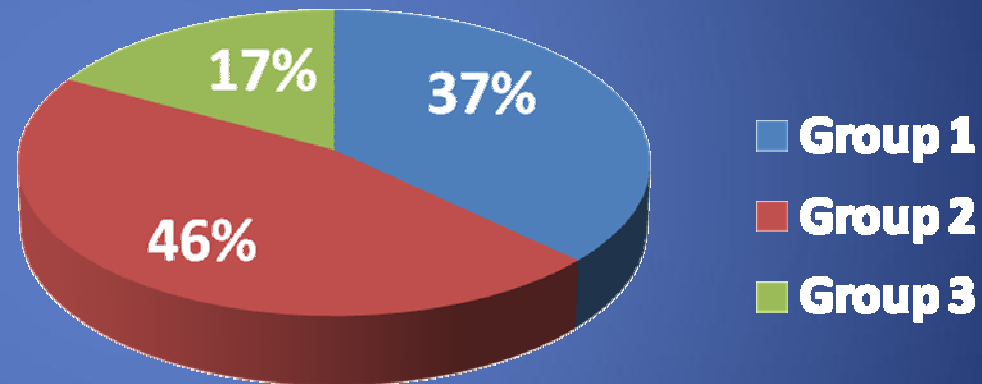
Reint Reinders & Associates

42

Group # 3

CTBID Revenue % by Group 7/1/07 – 5/31/08

- ☐ Inns of America Suites
- ☐ Hampton Inn (1/08)
- ☐ West Inn
- ☐ Hyland Inn
- ☐ Ocean Palms Beach Resort
- ☐ Beach Terrace
- ☐ Comfort Inn
- ☐ Beach View
- ☐ Carlsbad Travel Inn
- ☐ Surf Motel
- ☐ Tamarack Beach Resort
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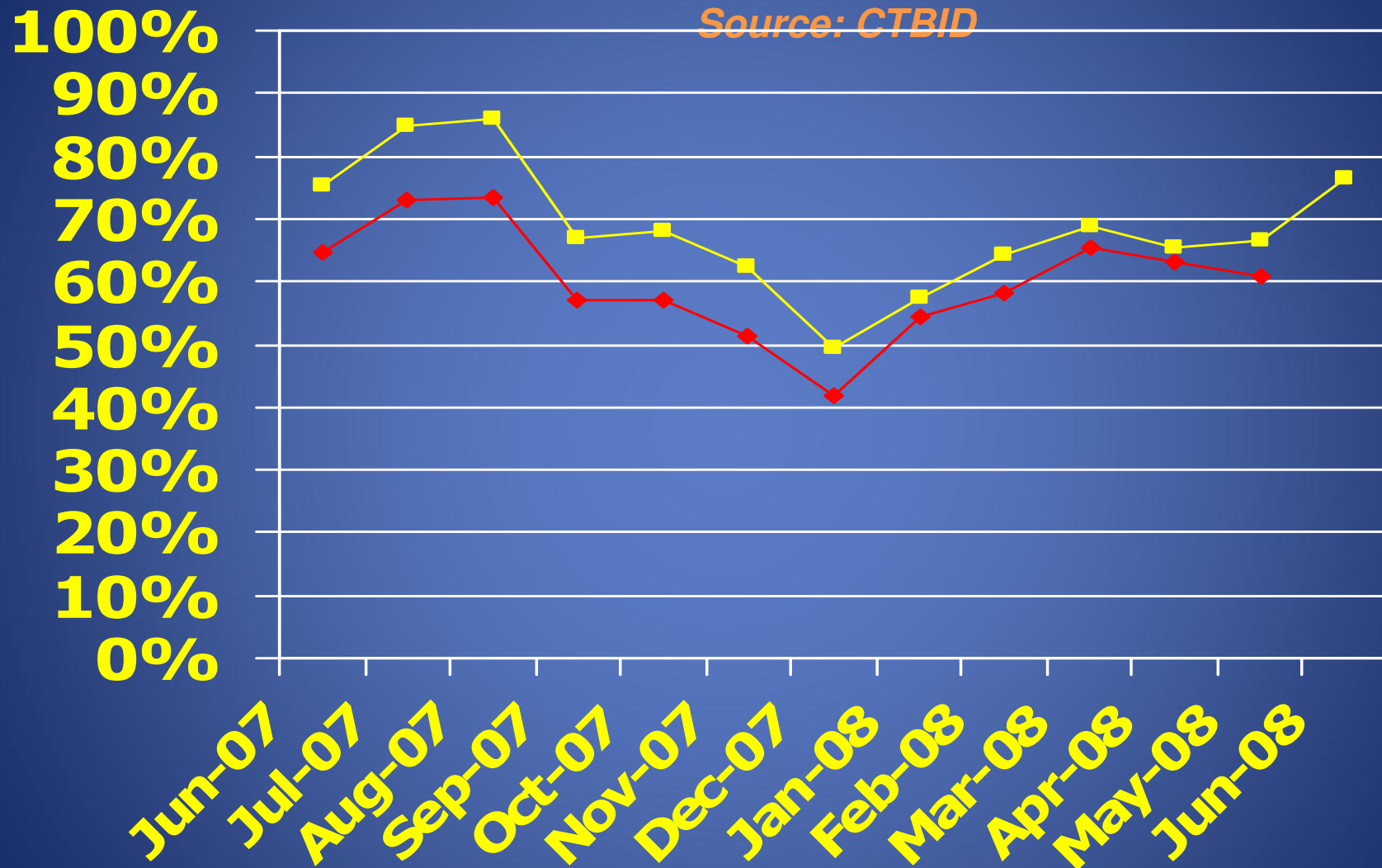


A further look inside the numbers . . . 12 month Carlsbad Hotel Occupancy

Monthly Occupancy rate – 12 Month

Period

Source: CTBID



Month of hotel stay

CTBID STR



SWOT test for Carlsbad . . .





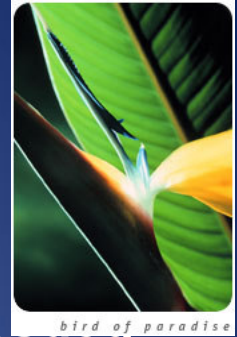
Strengths



- ☐ *Weather*
- ☐ *Beaches*
- ☐ *Quality of life*
- ☐ *World class amusement park*
- ☐ *Unique attractions: GIA, Flower Field, Museum of Music*
- ☐ *Trophy resorts, time shares, inns & B&Bs*
- ☐ *More affordable hotels & vacation rentals*
- ☐ *Historic, quaint Carlsbad Village*
- ☐ *Shopping*
- ☐ *21 million Southern Californians in Carlsbad's own "backyard"*
- ☐ *Geographical location advantages: easy access to San Diego and its multitude of attractions and venues*



Weaknesses



- ❑ *A Carlsbad “brand” has been neither established nor managed correctly*
- ❑ *No established “promise”, “value proposition”, “product differentiation”*
- ❑ *Current tourism promotion contractors are underfunded and under-accountable with limited real production*
- ❑ *Major tourism marketing alliances (Legoland, S.D. ConVis, SDNCVB) have been sorely underutilized*
- ❑ *City government has not been a strong enough partner in tourism promotion in support & funding as have other California coastal cities*
- ❑ *The CTBID Board’s reluctance to take action on previous consultants’ recommendations & spend those available funds*
- ❑ *Carlsbad’s tourism stakeholder community is not united; currently, there is no product synergism, no real consensus for support of a clear, consistent “brand”*



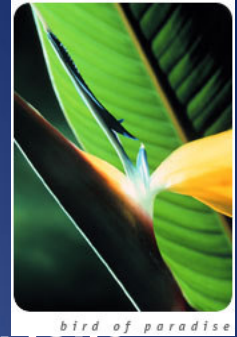
Opportunities



- ❑ *Current troubled economy has forced consumers to revise all vacation plans and consider new “staycations” trends (vacations closer to home)*
- ❑ *New pool of “displaced” vacation business from cancelled or deferred trips to Hawaii and Las Vegas (reduced air lifts, increase fuel costs)*
- ❑ *With a more established brand, tourists more likely to stay longer, spend more money due to increased awareness of local attractions & venues*
- ❑ *Leveraging current & potential area visitors through new marketing alliances with powerful, well-funded partners (e.g., Legoland, ConVis)*
- ❑ *Access to Legoland, Army & Navy Academy’s global family database*
- ❑ *Development of long-term strategy for sustainable sales & marketing campaigns*
- ❑ *The forthcoming City of Carlsbad “General Plan” revision process: address a new tourism initiative & a strong, new tourism strategy*



Threats

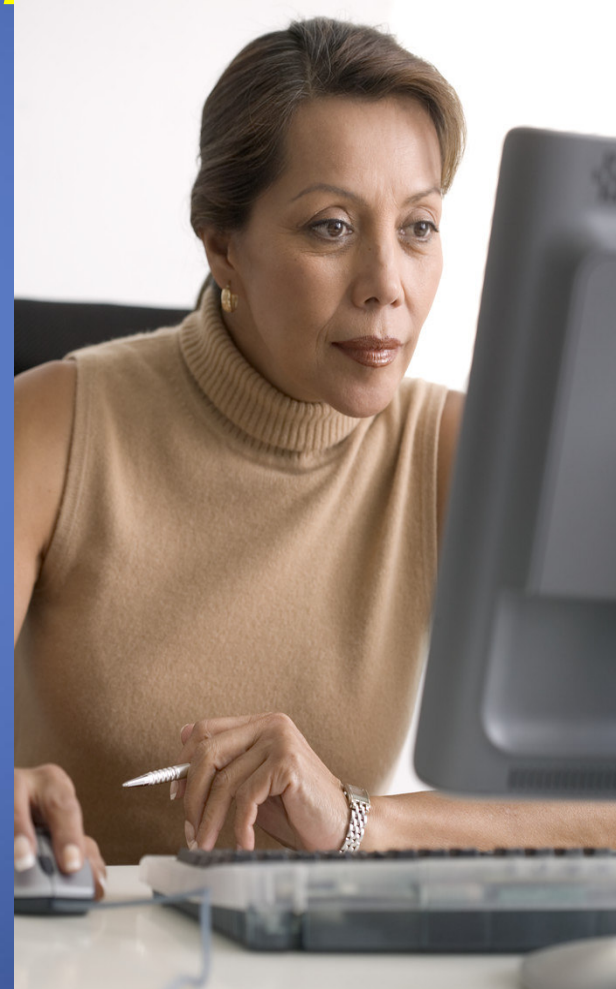


- ❑ *Tourism promotion loss of funding (CTBID dissolves, City fails to redirect TOT funds)*
- ❑ *Continued loss of tourism market share due to lack of an established brand, insufficient funding to promote tourism, and Carlsbad becoming less top of mind as a tourism destination*
- ❑ *Competitive California coastal destinations capturing greater market share due to sound funding and effective tourism marketing activities*
- ❑ *Closest neighbors: Oceanside's new Wyndham Hotel, Marina and waterfront upgrades; Encinitas, Vista & San Marcos infrastructure & visitor service upgrades and enhancements*
- ❑ *Dropping further off tourists' radar screens as Four Seasons, La Costa and Legoland continue to not feature Carlsbad by name in ads & P.R.*
- ❑ *Economy: price of gas, layoffs, mortgage crisis, cost of living, recession?*

And now finding Carlsbad on the Internet

. . .

9-of-10 U.S. travelers use the Internet exclusively to plan travel or a combination of the Internet and a travel agent (The Y Partnership)



Carlsbad: missing in action

Alameda, Davenport & Oxnard ahead of Carlsbad?

***California beach
vacations: 32
selections!!!***

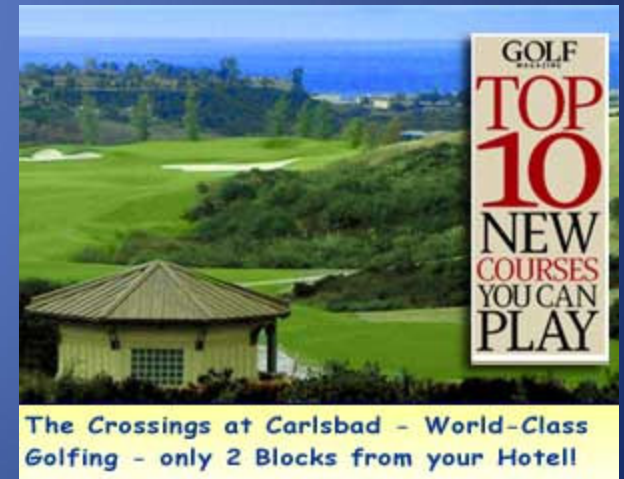


- ✓ Alameda
- ✓ Carmel
- ✓ Channel Islands National Park
- ✓ Dana Point
- ✓ Davenport
- ✓ **Encinitas**
- ✓ Fort Bragg
- ✓ Half Moon Bay
- ✓ Huntington Beach
- ✓ **La Jolla**
- ✓ Laguna Beach
- ✓ Long Beach
- ✓ Malibu
- ✓ Marina del Rey
- ✓ Monterey
- ✓ Morro Bay

- ✓ Newport Beach
- ✓ **Oceanside**
- ✓ Oxnard
- ✓ Pacific Grove
- ✓ Pebble Beach
- ✓ Pismo Beach
- ✓ Point Arena
- ✓ San Clemente
- ✓ **San Diego**
- ✓ San Francisco
- ✓ San Luis Obispo
- ✓ Santa Barbara
- ✓ Santa Cruz
- ✓ Santa Monica
- ✓ Seal Beach
- ✓ Venice

Great mini-vacations.com

- ✓ ***Accommodations at Grand Pacific Palisades; deluxe room - vista views***
 - ✓ ***3-days, 2-nights @ \$309 weekdays, \$369 weekends***
 - ✓ ***A short walk or take the free shuttle to Legoland***
 - ✓ ***California Premium Outlets & Carlsbad Flower Fields***



Carslbaddinbeachresort.com

Carlsbad Inn Beach Resort

Aol.com search – “California beach vacations”





Traveler advice on California: Hotels & Accommodations

West Inns & Suites, Carlsbad, CA

111 Reviews - Rated #8 – Rated #1 of 29 Carlsbad hotels

5 Circles (97) 4 Circles (9) 3 Circles (2) 2 Circles (2) 1 Circle (1)



25,260,0089 travelers from 190 countries planned trips here this week

8/27/2008

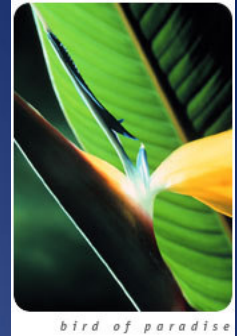
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56



Search for “Beaches”

Featured listing: [local.com](#)



Best Western Beach View Lodge

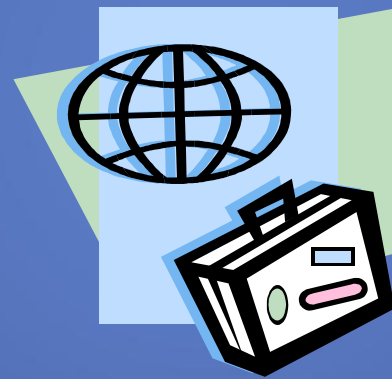
3180 Carlsbad Boulevard US Carlsbad, California, 92008-2908, United States

Phone: 7607291151

*****100 % Non-smoking*** Beautiful views of the Pacific Ocean coastline make this hotel in Carlsbad, California the perfect vacation spot! The Best Western Beach View Lodge is... [More Hotel Information >](#)**



Tourism is \$740 billion industry





Air travel

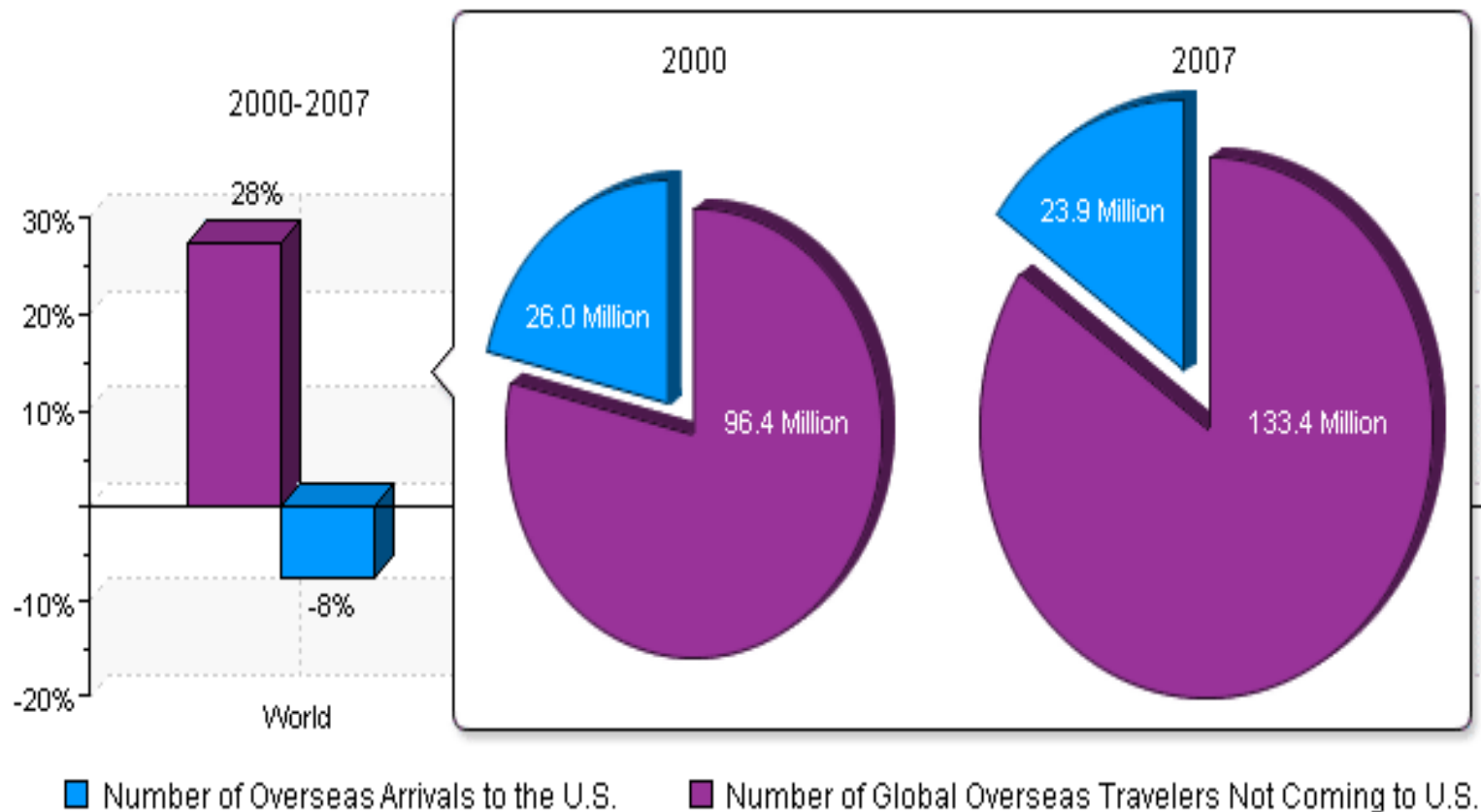
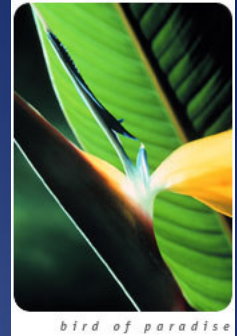


- ☐ ***41 million “avoided” flights past 12 months***
- ☐ ***\$26.5 billion economic loss; \$6B to hoteliers***
- ☐ ***48% believe air travel system will not improve in immediate future***



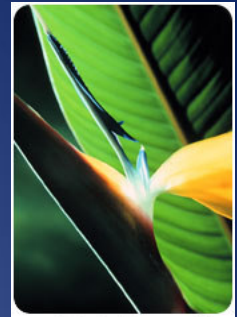


U.S. losing world traveling overseas visitors





Travel Industry Association & Travel Business Roundtable:



bird of paradise
but the

- ❑ *Since 2000 the number of people traveling has increased by 35M, USA has lost 2 million just in the past 7 years (26M v. 24M)*
- ❑ *This decline comes at a great cost to the USA:*
 - ❑ *\$150 million in lost spending*
 - ❑ *250,000 lost American jobs*
- ❑ *Travel is critically important to the American economy and must be a top priority for whoever may be the next President of the U.S.*
- ❑ *Overseas visitors are choosing to go elsewhere*
- ❑ *U.S. has a negative reputation fueled by:*
 - ❑ *International travelers' perception on how painful it is to enter and leave the country*
 - ❑ *Public dissatisfaction with America's air travel system is growing*
- ❑ *We need to more properly staff airports and need to have a robust communications program to promote tourism. If we don't fix things we don't have a chance of holding the Olympics here*



Projected State Tourism Office Budgets By Rank (in \$Millions)



2008

1. Hawaii \$85.1M
2. Texas \$63.2M
3. **California \$58.0M**
4. Illinois \$50.4M
5. Florida \$42.1M
6. Pennsylvania \$31.8M
7. Louisiana \$28.9M
8. So. Carolina \$28.1M
9. Arizona \$25.0M
10. Colorado \$22.7M

2005

1. Hawaii \$69.0M
2. Illinois \$47.8M
3. Pennsylvania \$33.0M
4. Texas \$30.6M
5. Florida \$28.5M
6. West VA \$23.1M
7. Louisiana \$18.4M
8. Missouri \$17.8M
9. So. Carolina \$16.1M
10. Arizona \$16.0M
28. **California \$8.1M**

Source: TIA

Carlsbad tourism can gain from Hawaii's loss

U.S. West Coast vacationers staying closer to home

Trouble in Hawaii . . .

❑ Visitor arrivals drop 14.2% in June

❑ Spending by visitors arriving by air fell 13.5% in June

❑ Visitors from U.S. West Coast dropped 16.5% in June

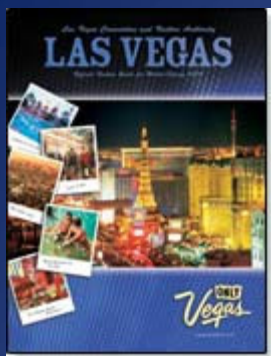
❑ Bookings for Fall '08 are now 10% to 30% below last

year
8/27/2008



Vegas' loss represents opportunity for Carlsbad

***U.S. West Coast vacationers staying closer to
home***



Vegas rooms under \$100 \$50 gas cards handed to guests

ONLY Vegas NBC Nightly News July 20, 2008

Convention room nights – 10%

Room rates – 4.3%

June '08 a.d.r. – 16% - biggest 1-month drop since Feb. 2002

Gambling revenue – 6.4%

Air/auto traffic – 3.4%

Airline capacity (end of year) -12%

Hotel room supply (end of year) +18%



“Staycations” are here . . . “Be a tourist in your own backyard”

Hyatt Regency Mission Bay ad in S.D. Union-Tribune 8/16/08



DISCOVER AN OASIS THAT IS FAR FROM
ORDINARY, BUT CLOSER THAN YOU THINK.

30% OFF
VALID THROUGH 12/31/08

**BE A TOURIST IN YOUR OWN BACKYARD
AT HYATT REGENCY MISSION BAY**

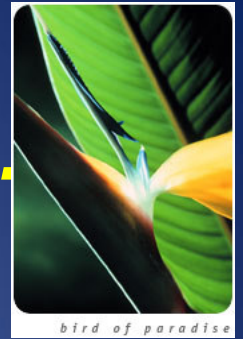
There's never been a better time for a "staycation" at Hyatt Regency Mission Bay Spa and Marina. Explore three new lagoon-like pools with two 120-foot waterslides, our signature restaurant Red Marlin and the new eco-friendly Blue Marble Spa™. Feel the Hyatt Touch®. For more information, call 800 233 1234 or visit missionbay.hyatt.com and request offer code SDLOC.



Offer valid 8/24/08 to 12/31/08 at Hyatt Regency Mission Bay. All hotel reservations are subject to availability and must be made in advance using offer code SDLOC. Guests must present an ID with proof of residency in San Diego County, California at time of check-in. All hotel reservations are subject to availability and must be made in advance. Offer is not valid with group reservations and may not be combined with other promotional offers. Rate is per room, per night, based on double occupancy. Room tax not included. Additional charges apply to room-type upgrades. Additional guests may be subject to additional hotel charges. Promotional blackout periods may apply due to seasonal periods or special events. Hyatt reserves the right to alter or withdraw this program at any time without notice. ©2008 Hyatt Corporation. All rights reserved.



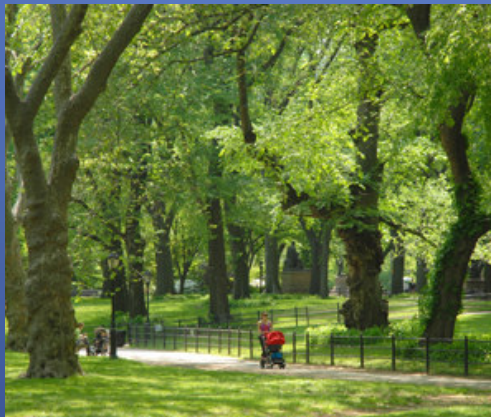
“sense of place” for Carlsbad . . .



NYC's Central Park



- ❑ ***Central Park was the first public park built in America, completely man-made***
- ❑ ***More than 25 million visitors enjoy Central Park each year***
- ❑ ***58 miles of pedestrian paths, 4.5 miles of bridle paths, 6.5 miles of park drives, 7.0 miles of benches (nearly 9,000) & 21 playgrounds***
- ❑ ***26,000 trees including 1,700 American elms & 275 species of migratory birds***
- ❑ ***51 sculptures in the Park and 36 bridges and archways***



The Boston Common



Wolf Trap, Vienna, VA



Seattle's Public Market



Sisters, OR annual outdoor quilt festival

- ☐ ***33rd Annual Sisters Outdoor Quilt Festival will attract 10K visitors July '08***
- ☐ ***Largest outdoor quilt festival in the U.S.***
- ☐ ***More than 1,100 vibrant quilts decorate this picturesque western town***
- ☐ ***A week long series of events to celebrate fiber & textile arts***



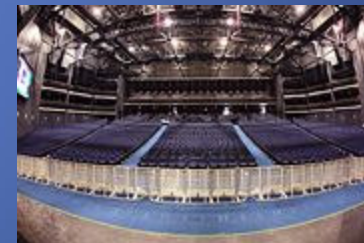
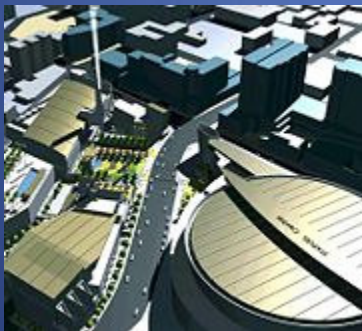


L.A. Live!



“Tourism is a cornerstone of our local economy. The tourism and travel industries are keeping us strong despite a slowdown in the national economy, and we are adding new attractions to make sure this upward trend continues.”

Los Angeles Mayor Antonio Villaraigosa





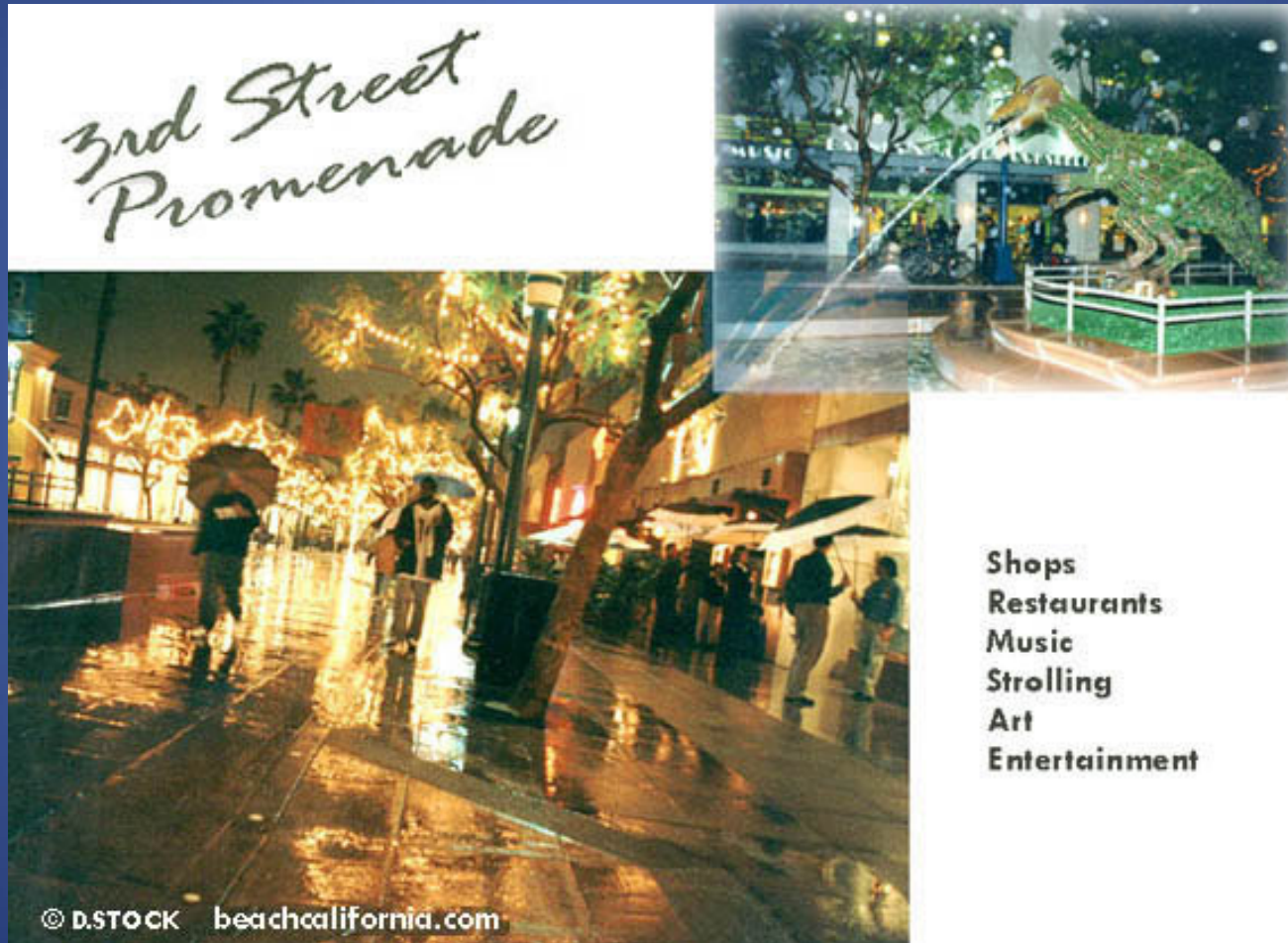
The Grove at Farmers Market L.A.



Santa Monica, CA



Santa Monica, CA



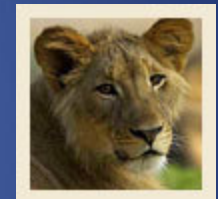
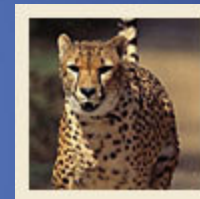
San Luis Obispo's Farmers' Market



Carlsbad's tourism "icons"



Carlsbad's regional tourism "icons"





SeaWorld's "Partners"





Wild Kingdom Animal Park's “featured partners”

Our vision: to become a world leader at connecting people to wildlife and conservation



The Flower Fields' sponsors





Off Legoland's website (www.legoland.com) . . . Book This Hotel

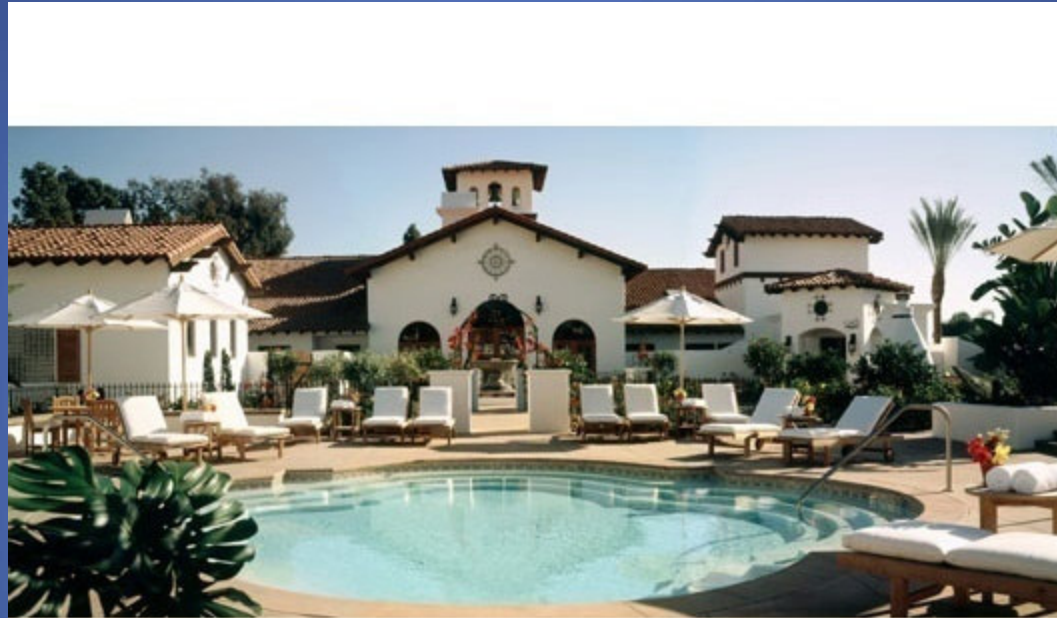
Direct linkage to Sheraton Carlsbad Hotel & Spa and Grand Pacific Palisades Resorts:



Four Seasons Resort Aviara



La Costa Resort and Spa



The courtyard at the new Spa at La Costa Resort and Spa



La Costa Resort and Spa



Carlsbad in the news! ... and local icons as well!



Los Angeles Times





100 Best Places to live and launch

#32 Carlsbad, CA

Population: 90,536

Pros: Carlsbad's fun-based economy includes booming tourism, thanks to LegoLand, adventure sports outfitters, and major manufacturing of golf equipment.

Con: An aversion to growth Conveniently located Carlsbad is a popular tourist destination, with seven beaches and [Legoland Park](#), as well as the forthcoming SeaLife Aquarium (an aquatic extension of Legoland), which is set to open this summer. Carlsbad also boasts the second-largest business community in San Diego County.

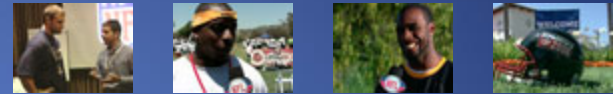
Bio-tech and golf-related ventures dominate the lists of businesses in the self-proclaimed “golf-manufacturing capital of the world”, but action sports companies like Reef and No Fear have recently relocated to the area.

Carlsbad has a strong entrepreneurial community, with the fastest-growing businesses catering to the tourist crowd and incoming business travelers.



Los Angeles Times

Sports



By Sam Farmer, Los Angeles Times Staff Writer
July 2, 2008

CARLSBAD -- Don't let the swanky surroundings fool you. For NFL rookies, this week at a posh hotel is about the harsh truths of the real world. All 252 players selected in the 2008 draft are participating in a four-day symposium at the La Costa Resort and Spa, an annual event aimed at preparing first-year players for off-the-field issues they

Action sports companies: Reef & No Fear



[Click to Enlarge](#)





Carlsbad's own Tony Hawk World class skateboard icon



Surfing icon Rob Machado of Encinitas

- Rob Machado is committed to supporting his local community of Cardiff-by-the-Sea through his annual surf contest, one of Southern California's most anticipated events. An accomplished golfer, Machado also organizes the Rob Machado Golf Experience benefiting The Rob Machado Foundation a 501c3 foundation created to support various charities dedicated to environmental programs within Southern California.
- Sponsors include Reef, Hurley International, Channel Islands Surfboards, Dragon Optical, Nixon, Boost Mobile, Creatures of Leisure
- Movies include “Riding Waves,” “Moonshine Conspiracy” & “The Sprout”



Callaway Golf Announces First Quarter 2008 Results

CARLSBAD, Calif.--(BUSINESS WIRE)--May 1, 2008--Callaway Golf Company (NYSE:ELY) today announced its financial results for the first quarter . . .

*Callaway is handing out \$100 gas cards with the purchase of certain clubs
so that*

“golfers can now get more distance out of their drives and their gas tanks”

- - Los Angeles Times, 6/3/08



Hyper-efficient car developed in Carlsbad



By [Chris Woodyard](#)

CARLSBAD, CA – The Aptera, with a range of 190 miles between charges, is intended to sell for around \$30,000.

“From L.A. to N.Y. on One Tank of Gas”, NBC Nightly News,



Startup of hyper-efficient car company puts Carlsbad in the spotlight

SDUT No. County Community News, 6/8/08 – Aptera says its electric car can get 120 miles on batteries and its gasoline hybrid goes 300 miles on one gallon of gas.

8/27/2008

Reint Reinders & Associates

95

CTBID Board options going forward . . .



Options



1. Continuing with current status quo (no changes)

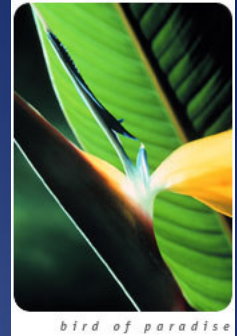
- 1. Retaining CCVB & SDNCVB as dual contractors**
- 2. Keep BID tax @ \$1 per room night = approximately \$800,000 annually**
- 3. Increase spending up to \$200,000 on upgrading current CCVB website**
- 4. Manage/maintain current Carlsbad Visitor Center**

❑ Risks:

- ❑ Continued marketing efforts by major stakeholders & attractions that fail to promote Carlsbad as a destination**
- ❑ Further frustration, polarization within community of tourism stakeholders**
- ❑ Missed major opportunity for bringing all stakeholders together for “one” Carlsbad**
- ❑ By maintaining the current status quo, Carlsbad risks losing greater market share to less attractive , less deserving So. CA destinations - - no doubt marketing their brands better and spending more \$\$\$s in doing so**



Options continued



2. Transition to a reconstituted DMO for Carlsbad

- 1. New leadership, more powerful website, stronger alliances, partnering***
- 2. New sales director focusing on B-to-B as opposed to traditional B-to-C***
- 3. BID tax raised to 2% of room revenues = approximately \$2.8 million annually - - with growth in supply, increased occupancy, \$4 million by 2012***
- 4. Partner with the City on upgrading &/or possibly relocating Visitor Center***

☐ Risks:

- ☐ Major stakeholders - - those that would be contributing the biggest shares - - will not support raising the BID tax from \$1 to 2%***

☐ Compromises:

- ☐ Add \$1 per room night revenue to the existing \$1 = \$1.6 million***
- ☐ Start with a 1% BID (\$1.4 million) and build up to 2% (\$2.8 million) over the course of five year period, when new DMO has had a reasonable amount of time to demonstrate credibility and true value***

RR&A's recommendation going forward .

. .

How do we accomplish this transition?



RR&A's Phase II



- ☐ ***RR&A to be contracted by CTBID Board to ensure full implementation and detailed follow up on all recommendations the CTBID Board approve and adopt***
- ☐ ***Phase II expected to commence 9/1/08 and last 10 months, ending on 6/30/09 - - when the transition and implementation is fully completed***
- ☐ ***Period coincides with the balance of the CTBID fiscal year as well as the duration of the existing contracts with CCVB and SDNCVB, and will allow for a new model and program to be in place at the start of fiscal year 2009-2010***

Phase II scope of work

#1. RR&A to provide overall management for the 10 month period of time, fulfilling the role of COO for the CTBID Board

#2. Development of an organization plan and template

a. Governance & general guidelines

b. Standard operating procedures (SOPs)

c. Performance measurement/metrics

d. Position descriptions and compensation

e. Budget

f. Reporting

g. Facilitate alignment between new Carlsbad DMO & CTBID Board

Phase II scope of work continued

#3. Develop a new 2009-2010 Sales and Marketing Plan to be adopted by the new DMO and by the CTBID Board

#4. Engage the City Council to discuss, suggest and redefine the City's roles and involvement with the CTBID and new DMO

a. Also, resolve funding and upgrading issues of the current Carlsbad Visitor Center

#5. Engage the City Council in a discussion, to seek buy in on certain other critical infrastructure issues of great importance to Carlsbad tourism stakeholders that will enhance and strengthen the overall Carlsbad brand

a. for example, signage, beach services upgrades

Phase II scope of work continued

- #6. Engage the City Council members in a discussion on reformatting or revising the City's General Plan to incorporate a formal strategy for tourism***
- #7. Engage San Diego ConVis and SDNCVB to develop a specific plan for a new, formal alignment between the new Carlsbad DMO, S.D. ConVis and SDNCVB***
 - a. especially in view of the recent tremendous growth of tourism marketing dollars for these two organizations***
 - b. The S.D. Tourism Promotion Corporation will claim more than \$30 million for tourism marketing in 2009***
 - c. Plans include aligning Internet, research, advertising and promotions, P.R. and sales and marketing campaigns and programs***

Phase II scope of work continued

#8. Engage in dialogue with potential “sponsors” and “partners” and new alliances for the new Carlsbad DMO

a. Example: Legoland and Callaway

b. Potential sources: additional funding and/or joint marketing efforts

#9. Create a new “advisory board” for the newly reconstituted Carlsbad DMO

a. To consist of the very best marketing minds amongst Carlsbad’s tourism stakeholders

b. New advisory board to give input on DMO’s future marketing plans, strategies, initiatives and spending

c. Opportunity for creating new synergism between DMO and hotel stakeholders

Phase II scope of work continued

#10. Develop an RFP and solicit representative consulting firms to conduct a comprehensive Carlsbad Tourism Economic Impact study in order to produce a 2008 baseline

#11. Conduct a CEO search and any other key managers required to staff the new DMO

#12. Oversee the upgrade and overall enhancement of the VisitCarlsbad.com website

a. Collaborate closely with Simple View (preferred CVB site provider)

b. Collaborate on plan to include SEO (search engine optimization), functionality, navigation, content, linkages and transaction capabilities along with strategies to improve overall organic growth

Phase II scope of work continued

#13. Implement and manage a new customized training program made available to all Carlsbad hotels

- a. Managers, revenue managers, front desk, reservations, sales, catering and conference service personnel***
- b. Focusing on capturing more room nights from call ins, walk ins and past and present guests***
- c. A sustaining program featuring monthly workshops; adds value to the new BID contribution by all hotels***
- d. Program is designed to help raise Carlsbad's overall occupancy back to a stabilized 70 percent plus***

Phase II scope of work continued

#14. As a highlighted principal strategy of the 2009-2010 marketing plan process, create a “Branding Carlsbad” initiative to ensure full embracement by the Carlsbad tourism stakeholders

a. Under RR&A’s watch and supervision, Carlsbad can be positioned as a “unique” destination

b. A primary goal of this branding exercise will be to grow the F.I.T. (non group, non-business traveler, more leisure driven) business for Carlsbad

c. To especially strengthen the demand for leisure product during the six months of Carlsbad’s off-season (Sept. through Feb.), which at present produces a less than acceptable sub-60 percent occupancy

Phase II scope of work continued

- #15. Conduct meetings individually and in small groups with the tourism community stakeholders to explain (and get input and buy in on) the new DMO organization and its sales and marketing strategies, goals and overall value going forward***
- #16. RR&A to meet with and report monthly and/or quarterly with the CTBID Board, orally and/or in writing - - at the pleasure of the CTBID Board***

Recap

- ☐ ***Stakeholders have spoken***
- ☐ ***A legitimate player: tourism destination marketing game***
- ☐ ***Time for the train to leave the station***
- ☐ ***Recommend: a new Carlsbad DMO***
- ☐ ***Required: \$1 added to current \$1 or a new 2% BID tax***
- ☐ ***Forge stronger alliances & partnerships: City, regionally***
- ☐ ***Leverage the Legoland brand***
- ☐ ***One Carlsbad, all stakeholders united in support***
- ☐ ***Working together to create a strong Carlsbad brand***
- ☐ ***No time to waste, let's begin the process now***



Thank you, CTBID Board!



Reint Reinders & Associates

Reint Reinders, CHA

David M. Brudney, ISHC

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